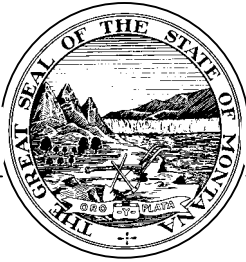


DEPARTMENT OF ADMINISTRATION  
DIVISION OF BANKING AND FINANCIAL INSTITUTIONS



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## STATE OF MONTANA

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*The following is a summary of the requirements for mortgage broker and loan originator licensing.*

### **Mortgage Broker Entity Licensing Requirements**

1. Application (submit "mortgage broker entity" application online through website <http://www.mt.gov.com/doa/banking/mortgage.asp>)
2. \$500 licensing fee payable to State of Montana (\$250 for applications submitted between January 1-April 30)
3. Surety bond or irrevocable letter of credit in the amount of 25K (this is required for each office or branch location that completes any origination or processing for Montana residential mortgages)
4. Photo of office location (if office is out of a home then must also include a letter from local city or county stating that there are no zoning restrictions that would prohibit operating the mortgage business at the location)
5. Copy of Certificate of Good Standing with Montana Secretary of State
6. One of the following:  
for a corporation: Articles of Incorporation  
for a Limited Liability Partnership (LLC): Articles of Organization and Operating Agreement  
for a General Partnership or a Limited Liability Partnership: Partnership Agreement

### **Mortgage Broker Sole Proprietor Licensing Requirements**

1. Application (submit "mortgage broker sole proprietor" application online through website <http://www.mt.gov.com/doa/banking/mortgage.asp>)
2. \$500 licensing fee Payable to State of Montana (\$250 for applications submitted between January 1-April 30)
3. Fingerprint card for background check (taken by local law enforcement agency)
4. \$34 processing fee for background check payable to State of Montana
5. Proof of experience (see experience requirements below)
6. Passing grade on Montana mortgage certification test (see testing requirements below)
7. Surety bond or irrevocable letter of credit in the amount of 25K (the d/b/a or assumed business name must appear on the bond or irrevocable letter of credit)
8. Photo of office location (if office is out of a home then must also include a letter from local city or county stating that there are no zoning restrictions that would prohibit operating the mortgage business at the location)
9. Copy of Certificate of Good Standing with Montana Secretary of State (Assumed Business Name Registration)

### **Mortgage Broker Individual Licensing Requirements**

1. Application (submit "mortgage broker individual" application online through website <http://www.mt.gov.com/doa/banking/mortgage.asp>)
2. \$500 licensing fee payable to State of Montana (\$250 for applications submitted between January 1-April 30)
3. Fingerprint card for background check (taken by local law enforcement agency)
4. \$34 processing fee for background check payable to State of Montana
5. Proof of experience (see experience requirements below)
6. Passing grade on Montana mortgage certification test (see testing requirements below)

### **Loan Originator Application Requirements Licensing Requirements**

1. Application (submit "loan originator" application online through website <http://www.mt.gov.com/doa/banking/mortgage.asp>)
2. \$400 licensing fee payable to State of Montana (\$200 for applications submitted after between January 1-April 30)
3. Fingerprint card for background check (taken by local law enforcement agency)
4. \$34 processing fee for background check payable to State of Montana
5. Proof of experience (see experience requirements below)
6. Passing grade on Montana mortgage certification test (see testing requirements below)

**Licensing Fees:** Each mortgage broker entity, with the exception of sole proprietorships, must simultaneously license the entity as well as a mortgage broker individual that serves as the Montana designated manager. A sole proprietor is required to submit an initial mortgage broker licensing fee in the amount of \$500. All other mortgage broker entities must submit an initial entity licensing fee in the amount of \$500 as well as an initial individual mortgage broker licensing fee in the amount of \$500. However, an individual seeking mortgage broker licensure that is the sole owner of their mortgage broker entity is only required to pay an initial licensing fee of \$500. An individual applying for a loan originator license is subject to an initial licensing fee of \$400. All licensing fees are nonrefundable. Applicants shall pay one-half of these initial licensing fees for an applications submitted between January 1-April 30.

**In-State Office Requirement:** Pursuant to Section 32-9-121, MCA a person or entity licensed as a mortgage broker shall maintain at least one physical office located in Montana either on its own accord or in conjunction with another licensed mortgage broker or regulated lender located in this state. Licensees shall maintain copies of residential mortgage loan files and trust account records at the Montana office location where services are provided. Each office location must have at least one phone line. Licensees shall pay state income tax on all income earned in Montana. Additionally, pursuant to Section 32-9-122, MCA a mortgage broker that is not a sole proprietorship shall designate an individual licensed as a mortgage broker within its organization as the designated manager of the organization. The designated manager is the person a person employed by a mortgage broker entity, other than a sole proprietorship, who is responsible for operating the business at the Montana office location.

**Testing Requirements:** Pursuant to Section 32-9-110, MCA all individual mortgage brokers and loan originators are required to submit evidence of passing a mortgage broker and loan originator certification test. The test must be taken from an education provider approved by the Division. A list of approved education providers is listed on the division's mortgage broker website at <http://www.mt.gov.com/doa/banking/mortgage.asp> under "Education and Examination Providers."

**Proof of Experience (Experience Requirements):** Pursuant to Section 32-9-109, MCA a mortgage broker is required to have three years of experience as a mortgage broker or in a related field. Pursuant to Section 32-9-109, MCA a loan originator is required to have six months of experience as a loan originator or working in a related field. Work in a related field is defined under ARM 2.59.1701. Proof of experience is defined under ARM 2.59.1702. Satisfactory proof of experience includes copies of a W-2 or 1099 verifying employment, valid

signed copies of form 1120 corporate tax return or letters signed from a lender on the lender's letterhead verifying that the broker or loan originator has competently originated loans for the required time period.

**Fingerprint Cards:** Pursuant to Section 32-9-115 and 32-9-116, MCA fingerprint cards submitted by a mortgage broker or loan originator for the background check must be taken by a law enforcement agency and then submitted with the application for licensure. Please be advised that only individuals completing the Form MU4 for individual mortgage broker or loan originator licensure are subject to the fingerprint background check. Fingerprint background checks do not apply to owners of a mortgage broker entity that are not applying for the individual mortgage broker or loan originator license.

**Surety Bond/Irrevocable Letter of Credit:** Pursuant to Section 32-9-123, MCA each licensed mortgage broker entity shall maintain at all times an irrevocable letter of credit or surety bond, naming the department as a beneficiary, in the amount of \$25,000 for each office location that will be performing mortgage broker services relative to the origination of Montana residential mortgage loans. Any branch identified in the Form MU3 must provide a surety bond or irrevocable letter of credit in the amount of \$25,000. The entity name appearing on the surety bond or irrevocable letter of credit must match the entity name provided in the Form MU1. A sole proprietor must include their d/b/a or assumed business name on the surety bond or irrevocable letter of credit. A copy of the Montana mortgage broker surety bond form can be downloaded from the Division's website at <http://www.mt.gov/doa/banking/mortgage.asp> under "forms and instructions."

**Designated Manager:** Pursuant to Section 32-9-122, MCA each mortgage broker entity applying for licensure, with the exception of sole proprietorships, must license an individual mortgage broker that will serve as their Montana designated manager. Please be advised that an individual mortgage broker must have three years of experience in order to obtain licensure. The designated manager is the person responsible for operating the business at the Montana office location. The designated manager is required to complete the Form MU4.

**Certificate of Good Standing:** In order to obtain a Certificate of Good Standing or to register your business please contact the Montana Secretary of State at (406) 444-3665 or online at <http://sos.state.mt.us/css/index.asp>.

**Division of Banking and Financial Institution's Mortgage Broker Website**  
<http://www.mt.gov/doa/banking/mortgage.asp>

**Link to Montana Mortgage Broker and Loan Originator Licensing Act:**  
[http://data.opi.state.mt.us/bills/mca\\_toc/32\\_9\\_1.htm](http://data.opi.state.mt.us/bills/mca_toc/32_9_1.htm)

**Link to Administrative Rules (ARM):**  
<http://arm.sos.state.mt.us/2/2-5916.htm>